

**Ryan Prepared Opening Statement
Department of Defense Budget Hearing
March 18, 2009**

- *Thank Chairman Spratt.*
- I'd also like to welcome our witness, Mr. Hale, who's had a long and distinguished career working with the Defense budget – both at CBO, and as the Comptroller of the Air Force. I look forward to your testimony.
- The Defense Department is our largest discretionary expenditure, and has seen robust growth over the last decade. This growth is understandable – and in my opinion, *justified* – by the fact we were attacked on September 11th.

CHART 1

- But I am concerned that the President's budget uses the FY2008 levels – the year of the surge, and most expensive of the war, as this chart shows – to create the illusion of savings. It does this by inflating its baseline to assume the surge level of spending continues *every year for the next decade* – and then claims \$1.5 *trillion* in “savings” by *not* funding DoD at surge levels for the duration of this budget.
- The Chairman of the Joint Chiefs, Admiral Mullen, has clearly stated that he had no plans of spending at surge level over the next decade.
- And Mr. Hale, as DoD's chief numbers cruncher, your assumptions on this matter are also of great interest to this Committee.
- As the President's budget provides no detail below the topline, it's difficult to understand its plans for DoD over the next decade. But the one thing we *do* know is that the budget assumes an average annual growth rate for National Defense of 2.4 percent. This compares to an average annual growth rate for *non*-defense discretionary programs of 3.3 percent.

- Now, I can appreciate an attempt at “fiscal restraint” in the President’s budget, but I find it incredibly troubling that defense spending is the seemingly *only* place in which this effort was made. Providing for our nation’s defense is the primary responsibility of the federal government – and the President’s budget raises the question of whether defense will be provided sufficient resources.
- That said, I don’t mean to imply that there’s not a great deal of work to do to improve efficiency at DoD. The Department’s financial management systems – while improving – are still nowhere near where they need to be to assure American taxpayers their money is being well spent.
- You have an acquisition process that is an abject failure at procuring weapons on time and on budget. I’ll note that I was encouraged that the President’s budget calls acquisition reform a priority. But the devil’s in the details. Congress is also a source of the problem through its intervention in DoD’s procurement decisions.
- Bottom line is that we need to make absolutely certain we provide the necessary resources for defense of our nation – in particular for the men and women in uniform in Afghanistan and Iraq who are in harm’s way.

**Ryan Prepared Opening Statement
Department of Defense Budget Hearing
March 18, 2009**

- *Thank Chairman Spratt.*
- I'd also like to welcome our witness, Mr. Hale, who's had a long and distinguished career working with the Defense budget – both at CBO, and as the Comptroller of the Air Force. I look forward to your testimony.
- The Defense Department is our largest discretionary expenditure, and has seen robust growth over the last decade. This growth is understandable – and in my opinion, *justified* – by the fact we were attacked on September 11th.

CHART 1

- But I am concerned that the President's budget uses the FY2008 levels – the year of the surge, and most expensive of the war, as this chart shows – to create the illusion of savings. It does this by inflating its baseline to assume the surge level of spending continues *every year for the next decade* – and then claims \$1.5 *trillion* in “savings” by *not* funding DoD at surge levels for the duration of this budget.
- The Chairman of the Joint Chiefs, Admiral Mullen, has clearly stated that he had no plans of spending at surge level over the next decade.
- And Mr. Hale, as DoD's chief numbers cruncher, your assumptions on this matter are also of great interest to this Committee.
- As the President's budget provides no detail below the topline, it's difficult to understand its plans for DoD over the next decade. But the one thing we *do* know is that the budget assumes an average annual growth rate for National Defense of 2.4 percent. This compares to an average annual growth rate for *non*-defense discretionary programs of 3.3 percent.

- Now, I can appreciate an attempt at “fiscal restraint” in the President’s budget, but I find it incredibly troubling that defense spending is the seemingly *only* place in which this effort was made. Providing for our nation’s defense is the primary responsibility of the federal government – and the President’s budget raises the question of whether defense will be provided sufficient resources.
- That said, I don’t mean to imply that there’s not a great deal of work to do to improve efficiency at DoD. The Department’s financial management systems – while improving – are still nowhere near where they need to be to assure American taxpayers their money is being well spent.
- You have an acquisition process that is an abject failure at procuring weapons on time and on budget. I’ll note that I was encouraged that the President’s budget calls acquisition reform a priority. But the devil’s in the details. Congress is also a source of the problem through its intervention in DoD’s procurement decisions.
- Bottom line is that we need to make absolutely certain we provide the necessary resources for defense of our nation – in particular for the men and women in uniform in Afghanistan and Iraq who are in harm’s way.